CII's suggestions on textiles

2932. SHRI RUMANDLA RAMACHANDRAYYA: Will the Minister of TEXTILES be pleased to state:

(a) whether the CII has urged the Government to give special attention to textiles;

(b) if so, what are the suggestions given by the CII in this regard;

(c) how many of its suggestions have been accepted; and

(d) what are the steps being taken to implement them?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) and (b) CII has, from time to time, made several suggestions for resurgence of textile industries. These suggestions pertain to rationalisation of fiscal duty structure—reduction in excise duty, completion of CENVAT chain, removal of exemptions, reduction in customs duty on textile machinery, etc. Besides, keeping in mind the need for flexibility in labour laws, the CII has also made suggestions for labour reforms.

(c) and (d) The process of rationalisation of duty structure initiated by the Government in the past has been continued in the Budget 2003-04. Excise duty on almost all the items of the textile sector has been reduced; a large number of excise exemptions withdrawn and CENVAT chain completed; and customs duty on specified textile machinery reduced, etc.

Protectionism in textiles by the EU and US

2933. SHRI RUMANDLA RAMACHANDRAYYA: Will the Minister of TEXTILES be pleased to state:

(a) whether India together with 16 other developing countries including China has joined hands to fight the protectionism being practised by the EU and US in the area of textiles;

(b) if so, whether in a joint submission to the negotiating group of rules of the WTO, the countries have sought protection from unjustified recourse to trade remedy actions;

(c) if so, the nations which have jointly submitted the report; and

(d) the reaction of the WTO on this issue?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) to (c) With respect to anti-dumping practices, the Ministerial Conference in Doha had mandated negotiations aimed at clarifying and improving disciplines under the Anti-dumping Agreement while preserving the basic concepts, principals and effectiveness of the Agreement and its instruments and objectives, and taking into consideration the needs of developing and least-developed participants. In the initial phase of the negotiations, participants will indicate the provisions, including disciplines on trade distorting practices that they seek to clarify and improve in the subsequent phase.

In accordance with the above Ministerial mandate, India along with Bangladesh, Brazil, the People's Republic of China, Colombia, Costa Rica, Egypt, Guatemala, Hong Kong, China, Indonesia, Korea, Macao, China, Maldives, Pakistan, Paraguay, Peru, Thailand and Vietnam had submitted a proposal to the WTO's Negotiating Group on Rules, the purpose of which is as under:—

(i) To share developing countries experience as regards anti-dumping activity affecting their exports of textiles and clothing—the largest industrial export sector for them.

(ii) To spell out developing countries *needs* in the area. it may be emphasized in this connection that the Ministerial mandate specifically requires that "the needs of developing and least-developed participants" be taken into account.

(iii) To illustrate one of the particularly important aspects of anti-dumping—initiations—as a matter for improved discipline.

(d) The negotiations on the Anti-dumping Agreement and the Agreement on Subsidies and Countervailing Measures are being undertaken in the Negotiating Group on Rules (NG Rules). Five meetings of the NG Rules have so far been held and three more meetings are scheduled prior to the Cancum Ministerial meeting. The negotiations are currently in the first phase during which the WTO Member countries are identifying issues for negotiations in the second phase.